

Janet T. Mills
Governor

Jeanne M. Lambrew, Ph.D.
Commissioner



Maine Department of Health and Human Services
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June 7, 2021

Mr. John D. Newman, Esq.
Senior Vice President & General Counsel
Covenant Health
100 Ames Pond Drive, Suite 102
Tewksbury, MA 01876

RE: Letter of Applicability – Covenant Health, Inc. Assumption of Membership Interest of Bangor Nursing and Rehabilitation Center


Dear Mr. Newman,

This correspondence responds to yours dated May 26, 2021. Covenant Health, Inc (Covenant) proposes to acquire ownership of Bangor Nursing and Rehabilitation Center (BNRC) and assume its operations. BNRC and Covenant have entered into a membership interest assumption agreement under which Covenant will become the sole member and assume responsibility for the continued operation of BNRC.

Based solely on the information you provided, the Department of Health and Human Services has determined that the proposal as described is subject to review. The applicable reason(s) this is a covered project are indicated below:

- ☒ Pursuant to 22 MRSA §329 (1) this transaction is a transfer of ownership or acquisition of control of a health care facility.
- ☐ This project is an acquisition of major medical equipment where the expenditure exceeds \$3,858,310.
- ☐ This project is not a new health service where:
 - ☐ Capital expenditures exceed \$3,922, 997 or
 - ☐ Third year annual operating costs exceed \$1,307,666.
- ☐ This project is a new health care facility where:
 - ☐ Capital expenditures exceed \$5,000,000 for a nursing facility or
 - ☐ Capital expenditures exceed \$3,000,000 for other covered facilities.
- ☐ The total capital costs associated with the project exceeds:
 - ☐ \$6,538,328 for nursing facilities.
 - ☐ \$13, 076,656 for hospitals or other covered facilities.

At any time that you find that the threshold for this project has exceeded the indicated limit above or the details of this transaction change, you will need to apply for a review of the proposed transaction. The applicant is responsible for the accuracy of the information provided to the department.

Sincerely,

Richard S. Lawrence
Senior Health Care Financial Analyst
Cc: File